

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

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FISCAL IMPACT STATEMENT

LS 6833

BILL NUMBER: HB 1330

NOTE PREPARED: Jan 7, 2012

BILL AMENDED:

SUBJECT: Minority Procurement.

FIRST AUTHOR: Rep. Welch

FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: X GENERAL
DEDICATED
FEDERAL

IMPACT: State

Summary of Legislation: The bill restates the exception for certain goods and services to the laws governing minority and women's business enterprises.

Effective Date: July 1, 2012.

Explanation of State Expenditures: *Summary:* The bill will increase costs for the Deputy Commissioner for Minority and Women's Business Enterprise Development to the extent that additional contractors in utilities, health care services, and real estate are to be certified as minority and women's business enterprises (MWBE). Additionally, costs may increase for a statistical report and data collection by the addition of these goods and services to the definition of a contract.

Background: The bill changes the definition of a contract to include utilities, health care services, and rent paid for real property as a result of a real estate transaction, which were previously excluded from consideration. Under current law, the Deputy Commissioner for Minority and Women's Business Enterprise Development develops goals for state contracts, collects statistical information, and requires all state agencies, bodies corporate and politic, and state educational institutions to report concerning the use of MWBE in state contracts. Additionally, the Deputy Commissioner is required to identify and certify MWBE.

The 2010 Indiana Disparity Report does not identify the industries surveyed, but rather examines four categories of businesses, including construction, professional, goods, and support services. Information on compliance was provided to the Governor's Office on March 1, 2011, and shared with the Governor's Commission on Minority and Women's Business Enterprises. The next compliance report is scheduled to

be completed in 2015. The goals for MWBE, which are stated in the larger categories, are show in the table below.

	MBE Participation	WBE Participation
Construction	7%	5%
Professional Services	8%	8%
Supplies	4%	9%

The Department of Administration, Office of Minority Business Development has 12 positions, including 3 vacancies, and total salary cost of \$500,100 as of December 1, 2011.

Explanation of State Revenues:

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: MWBE Commission.

Local Agencies Affected:

Information Sources: <http://www.in.gov/idoa/2501.htm>

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